

JANUARY 7, 2020

Directive 2020-01 - REVISED

TO: ALL PARTICIPATING LENDERS

SUBJECT: DEBT TO INCOME UPDATES FOR THE MARYLAND MORTGAGE PROGRAM

The Maryland Mortgage Program (MMP) is announcing that effective for new loan reservations on or after January 6, 2020 we are increasing the Debt-to-Income (DTI) ratio requirement from 45.01% to 50.00% to align with US BANK. This change impacts all Conventional and FHA reservations with a Minimum Credit Score of 680 excluding the SmartBuy Program.

- Loans must receive an Approval from the appropriate Automated Underwriting System to be eligible.
- Credit Scores less than 680 are limited to 45% DTI.
- Manually Underwritten loans are not eligible.
- As a reminder lender must follow all underwriting overlays of US Bank, FNMA, FHLMC, FHA and Private Mortgage Insurers.
- Minimum credit score of 640 still permitted with maximum DTI of 45% on Conventional products.
- **FHA Credit 640 Products are not impacted at this time. Credit scores between 640 and 659 still follow MMP overlays – MAX DTI = 42% with 2 months reserves**
- USDA/RHS & VA remain as they currently are: minimum credit score of 640 and maximum DTI of 45%.



LARRY HOGAN
Governor
BOYD K. RUTHERFORD
Lt. Governor
KENNETH C. HOLT
Secretary

As always, we appreciate your continued participation in our programs.

If you have any questions concerning this Directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

7800 HARKINS RD • LANHAM, MD 20706 • DHCD.MARYLAND.GOV
301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258

